

UNITED STATES OF AMERICA
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Before Commissioners:

Ruth Y. Goldway, Chairman;
Mark Acton, Vice Chairman;
Tony L. Hammond; and
Nanci E. Langley

Competitive Product Prices
Global Reseller Expedited Package Contracts 1
(MC2010-21)
Negotiated Service Agreement

Docket No. CP2011-67

NOTICE AND ORDER CONCERNING AN ADDITIONAL
GLOBAL RESELLER EXPEDITED PACKAGE CONTRACT
NEGOTIATED SERVICE AGREEMENT

(Issued August 4, 2011)

I. INTRODUCTION

On August 3, 2011, the Postal Service filed a notice announcing that it has entered into an additional Global Reseller Expedited Package (GREP) contract.¹ The Postal Service asserts that the instant contract is functionally equivalent to the GREP baseline agreement and is supported by Governors' Decision No. 10-1 attached to the Notice and originally filed in Docket No. CP2010-36. *Id.* at 1, Attachment 3. The Notice explains that Order No. 445, which established GREP Contracts 1 as a product, also

¹ Notice of United States Postal Service of Filing a Functionally Equivalent Global Reseller Expedited Package Negotiated Service Agreement and Application For Non-Public Treatment of Materials Filed Under Seal, August 3, 2011 (Notice).

authorized functionally equivalent agreements to be included within the product, provided that they meet the requirements of 39 U.S.C. 3633. *Id.* at 1-2. Additionally, the Postal Service requested to have the contract in Docket No. CP2010-36 serve as the baseline contract for future functional equivalence analyses of the GREP Contracts 1 product.

The instant contract. The Postal Service filed the instant contract pursuant to 39 CFR 3015.5. In addition, the Postal Service contends that the instant contract is in accordance with Order No. 445. The Postal Service will notify the mailer of the effective date within 30 days after all necessary regulatory approvals have been received. Notice at 3, Attachment 1 at 5. The term of the contract is one year from the effective date. It may, however, be terminated by either party on not less than 30 days' written notice. *Id.*

In support of its Notice, the Postal Service filed four attachments as follows:

- Attachment 1—a redacted copy of the contract and applicable annexes;
- Attachment 2—a redacted copy of a certified statement required by 39 CFR 3015.5(c)(2);
- Attachment 3—a redacted copy of Governors' Decision No. 10–1, which establishes prices and classifications for GREP contracts, a description of applicable GREP contracts, formulas for prices, an analysis of the formulas, and certification of the Governors' vote; and
- Attachment 4—an application for non–public treatment of materials to maintain redacted portions of the contract and supporting documents under seal.

The Notice advances reasons why the instant GREP contract fits within the Mail Classification Schedule language for GREP Contracts 1. The Postal Service states that the instant contract differs from the contract in Docket No. CP2010-36 pertaining to customer-specific information, *e.g.*, customer's name, address, representative, signatory, definition of qualifying mail, discounts offered by the reseller, minimum revenue, periodic review of minimum commitment, assignment, number of rate groups and annexes, and solicitation of reseller's customers. *Id.* at 4-6. It states that the differences, which include price variations based on updated costing information and

volume commitments, do not alter the contract's functional equivalency. *Id.* at 4. The Postal Service asserts that “[b]ecause the agreement incorporates the same cost attributes and methodology, the relevant characteristics of this GREP contract are similar, if not the same, as the relevant characteristics of the contract filed in Docket No. CP2010-36.” *Id.*

The Postal Service concludes that its filing demonstrates that the new GREP contract complies with the requirements of 39 U.S.C. 3633 and is functionally equivalent to the baseline GREP contract. It states that the differences do not affect the services being offered or the fundamental structure of the contract. Therefore, it requests that the instant contract be included within the GREP Contracts 1 product. *Id.* at 6.

II. NOTICE OF FILING

The Commission establishes Docket No. CP2011-67 for consideration of matters related to the contract identified in the Postal Service's Notice.

Interested persons may submit comments on whether the Postal Service's contract is consistent with the policies of 39 U.S.C. 3632, 3633, or 3642. Comments are due no later than August 12, 2011. The public portions of this filing can be accessed via the Commission's website (<http://www.prc.gov>).

The Commission appoints Katalin K. Clendenin to serve as Public Representative in the captioned proceeding.

III. ORDERING PARAGRAPHS

It is ordered:

1. The Commission establishes Docket No. CP2011-67 for consideration of matters raised by the Postal Service's Notice.
2. Comments by interested persons in this proceeding are due no later than August 12, 2011.
3. Pursuant to 39 U.S.C. 505, Katalin K. Clendenin is appointed to serve as the officer of the Commission (Public Representative) to represent the interests of the general public in this proceeding.
4. The Secretary shall arrange for publication of this Order in the *Federal Register*.

By the Commission.

Ruth Ann Abrams
Acting Secretary